



Amendment Proposal for:
Northern California Teamsters Apprentice Training & Education Trust Fund
Agreement Number: ET08-0406
Amendment 1

Panel Meeting of: **January 23, 2009**

ETP Regional Office: **Sacramento**

Analyst: J. Daunt

CURRENT PROJECT PROFILE

Contract Type: New Hire
 Job Creation

Industry Sector(s): Construction

Counties Served: Statewide

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

Current Contract Term: March 31, 2008 to March 30, 2010

Current Funding	In-Kind Contribution
\$144,680	Inherent

AMENDMENT FUNDING

Requested Funding	Support Costs	Amendment Funding	In-Kind Contribution
\$292,400	\$18,662	\$311,062	Inherent

Total Funding
\$455,742

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
2	New Hire	Commercial Skills	86	36-360	0	\$3,617	\$10.64
				Weighted Avg: 200			

Minimum Wage by County: \$11.82 for Alameda, Contra Costa, Los Angeles, Marin, Orange, San Francisco, San Mateo, Santa Clara, Santa Cruz; \$11.41 for Sacramento; \$11.24 for San Diego; \$11.23 for Ventura; \$10.64 for all other counties.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe N/A

Health, dental, and/or vision benefits vary among participating employers, and may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Construction Vehicle Operator/Driver	

INTRODUCTION

In this Amendment proposal, Northern California Teamsters Apprentice Training & Education Trust Fund (NCTAT) seeks additional funding in order to add trainees to the current ETP new-hire training project.

NCTAT is a joint Labor/Management Trust established under the terms of the labor agreement between 1) the Heavy, Highway, Building and Construction Teamsters Committee for Northern California; and 2) the Associated General Contractors of California, the Association of Engineering & Construction Employers, and the Engineering and Utility Contractors Association. The organization has joint labor and management representation on its Board of Trustees. NCTAT qualifies for ETP funding as a group of employers under the Unemployment Insurance Code, Section 10205(c)(1). (See also Title 22, California Code of Regulations (CCR), Section 4400(j)(3)).

Under the current project, NCTAT is training up to 40 unemployed individuals who are receiving between 36 and 360 hours of training in the operation of off-road and over-the-highway construction vehicles. The curriculum is based on U.S. Department of Transportation guidelines and industry recommendations for construction-specific equipment training.

AMENDMENT DETAILS

Contractor officials report that NCTAT recently merged with a Teamsters organization in the Bay Area. Due to this recent absorption, the contractor has experienced an increase in the scope of union membership. As a result, additional trainee slots are needed in order to accommodate the change. As a result, NCTAT is seeking the means to serve the expanded target population under its current ETP Agreement.

The additional training slots will be filled by new-hire trainees who, upon completion of training, will be qualified to be hired by employers in the construction industry. The curriculum will remain unchanged.

Industry Demand for Additional Training

The original determination of employer demand was and is based on recent Employment Development Department (EDD) Labor Market Information Division (LMID) Occupational Outlook Reports, which state that employers in Northern California have difficulties finding applicants who meet prevailing hiring standards. Additional data from the U.S. Department of Labor shows extreme shortages of qualified truck drivers and construction vehicle drivers throughout the United States. In addition to the modernization of equipment and increased regulatory burden, the contractor recently experienced a significant expansion, with a consequent and significant increase in demand for the provision of training under the contractor's curriculum.

NCTAT members are construction industry employers that have developed an employer specific, customized construction driver training program. Due to the inherent dangers of construction work, employers are reluctant to engage in strictly on-the-job training. The NCTAT Board of Trustees determines the nature and extent of the training and curriculum, based upon surveys of the 120 participating employer members and NCTAT training staff.

Both the expansion of base and on-going modernizations of transportation and construction equipment require more trainees than the current provisions of NCTAT's contract allows. The contractor is, therefore, requesting the addition of 86 new-hire training slots for prospective trainees who will receive between 36 and 360 hours of new-hire training (the weighted average is 200 hours). The foundational purpose of the training is to insure that the present and future workforce be proficient with the skills and knowledge that the industry demands.

New Hire Recruitment Plan

New-hire trainees will continue to be recruited through Teamsters Union Locals, on an expanded basis that has been made possible by the recent expansion of NCTAT, to include a significantly greater portion of Northern California. Potential trainees also will continue to be recruited through outreach programs offered by the Associated General Contractors of California, the California EDD, and regional One-Stop Career Centers.

RECOMMENDATION

For the reasons set forth above and the projected completion rate shown in the table below, staff recommends approval of this Amendment proposal.

CURRENT CONTRACT PERFORMANCE

The following table summarizes performance by NCTAT under the current ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET08-0406	\$144,680	03/31/2008-03/30/2010	40	0	0

The contractor's progress under the Agreement is significantly greater than indicated by current ETP records for this project, shown in the above chart, due to the fact that NCTAT waits before committing to the invoicing process, to minimize the chances of unearned payments. Success rates for this contractor's previous projects (ET06-0176 and ET03-0108) are 58% and 80%, respectively. The latter is considered significantly above average.